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COMPT 81-1094

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19 AUG 1981

NFAC #5207-81

MEMORANDUM FOR: Mr. Maury Lipton
Chairman CORE Committee

FROM : Deputy Director
National Foreign Assessment Center

SUBJECT : Cost Reduction Suggestions

REFERENCE : DCI Memo No. 81-0795

1. I am forwarding suggestions for ways of improving productivity while reducing operating costs within NFAC. We have chosen capital investment as a strategy for accomplishing this goal after a thorough review of all NFAC activities.

2. An NFAC committee was established to review ways of effecting cost savings. This review included looking at the possible elimination of staff functions (that would simply result in the dispersal of many staff functions to offices at a higher cost in terms of lost productivity); staffing levels of security officers (mandated by a DDCI directive); and substantive activities such as the atlas program, expensive computer models, lower priority research (none of which seemed consistent with a mandate to strengthen and improve analysis). The committee concluded that, short of reducing the scope of NFAC's analytical responsibilities, operating costs in NFAC could be reduced only by investing in equipment that will improve the quality and quantity of NFAC production.

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R. E. Hineman

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As stated

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Function/Activity

Word processing equipment. (U)

Current Status

The new word processing terminals, the NBI 3000 keyboards, have been well-received throughout NFAC. There now seems to be a requirement for more terminals than anticipated a few years ago. Additionally, some improvement should be made in the manual process of converting SCRIPT files into a format compatible with the ETECS system. (U)

Criterion

Capital investment to increase efficiency and reduce future operating costs. (U)

Suggestion

Purchase or lease additional NBI 3000 equipment, and fund a contract to convert SCRIPT files to ETECS system. (U)

Expected Savings

Additional NBI systems will reduce waiting time and increase the volume of material processed. The SCRIPT format conversion will cost about \$10,000 and will result in savings in the manhours that normally go into retyping SCRIPT files into the ETECS system. (U)

Function/Activity

Automation of manual files. (U)

Current Status

Several files in NFAC are either entirely manual or only partially automated, including files containing information on: exchange programs with the Soviets, intelligence disclosures to foreigners, emigre files, the document library, biographic profiles and directories of foreign officers.

(S)

Criterion

Capital investment to increase efficiency and accuracy, and to reduce future operating costs. (U)

Suggestion

Automate various manual files in NFAC with contractual support. (U)

Expected Savings

Information retrieval time will be cut significantly, and the accuracy of the data retrieved will increase. (U)

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Function/Activity

Delta Data computer terminals. (U)

Current Status

Almost all NFAC computer terminals are of the Delta Data type--the "Cadillac" of terminals--costing about \$6,000 each. In many cases, less powerful--and cheaper--terminals would be adequate. Acceptable terminals are available for as little as \$1,000. (U)

Criterion

Capital investment will reduce future operating costs. (U)

Suggestion

Conduct an NFAC-wide survey to identify areas where less expensive and less sophisticated computer terminals will satisfy analytical and support needs. Reduce the procurement of Delta Data terminals and supplement purchases with cheaper models. (U)

Expected Savings

This action could result in significant savings, depending on the percentage of cheaper terminals that can be procured. (U)

Function/Activity

TV Center support services. (U)

Current Status

Various Agency components operate TV centers, including NFAC, OTE, OTS, and OC. Each of the centers has its own charter, and each operates independently of the others. All have procurement, training, and maintenance needs, however, that could be satisfied in common. (C)

Criterion

Duplicative effort with the potential for savings as a result of consolidation. (U)

Suggestion

Centralize the support services for the Agency TV centers in a single procurement, training, and maintenance center. (C)

Expected Savings

Such consolidation could significantly reduce the cost of running TV centers, improve their efficiency, and ensure the compatibility of equipment. (C)

Function/Activity

OGSR's Meteorological, Agronomical, and Geographical Analysis System (MAGAS). (U)

Description

MAGAS is a system for interactive graphics analysis. With modification, it could be used for a variety of analytical problems now handled by other means. (U)

Criterion

Capital investment to increase efficiency and provide future reductions in operating costs. (U)

Suggestion

Upgrade MAGAS to allow it to perform numerical simulations in the analysis of water resources, petroleum production, and foreign agriculture. The cost of the upgrade is estimated at \$600K. (C)

Expected Savings

The proposed upgrade would allow OGSR analysts to use MAGAS for a variety of problems on location in OGSR spaces, thus reducing analytical time and increasing productivity. It would markedly lower analytical costs by reducing expenditures for external research and contractor support. (U)

Function/Activity

ADP support for OSWR analysis of radar signature data. (S)

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[Redacted]

Criterion

Capital investment to increase efficiency and provide future reductions in operating costs. (U)

Suggestion

Upgrade the Technical Analysis and Display System (TADS) to include a high capacity raster scan graphics capability, an array processor, and new software packages. This approach was recommended by ODP as more cost effective than procuring a completely new system. The cost of the upgrade is estimated at \$1,625K. (S)

Expected Savings

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[Redacted]

[Redacted]

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Function/Activity

Use of quick-copy polaroid cameras in OIA. (U)

Current Status

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Criterion

Capital investment will increase efficiency and reduce future operating costs. (U)

Suggestion

Purchase new quick-copy polaroid cameras with a light sensing capability. (U)

Expected Savings

OIA currently spends about \$24K per year for polaroid film. New cameras could reduce this figure by about one-third and provide better quality pictures. (C)

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Function/Activity

Historical imagery coverage file in OIA.

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Criterion

Capital investment will increase efficiency and reduce future operating costs. (U)

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Function/Activity

Videotape repetitive material. (U)

Current Status

Currently many offices have repetitive instructional material such as security briefings, computer programming and specialized substantive training.

(U)

Criterion

Capital investment to increase efficiency and reduce future operating costs. (U)

Suggestion

Purchase the PASS courseware system that permits users to write courses that are then presented on a video monitor under computer control. The courses can be taken anytime by those needing them. (U)

Expected Savings

There will be a savings in the man-hours necessary to teach repetitive material. (U)

Description

Automate production of maps and graphics. (U)

Current Status

There has been an increased demand for maps and graphics in support of NFAC, DCI, other Agency and Community requirements. This demand has been met through slight increases in personnel, greater use of overtime, and expansion of some automated systems. The first two manpower-intensive options are not effective long-term considerations. (U)

Criterion

Capital investment to improve productivity and reduce future operating costs. (U)

Suggestion

Purchase an Interactive Drafting and Design System and an Automated Digitizing System. These procurements currently are included in the FY 82 and FY 83 budgets. (U)

Expected Savings

Productivity increases will be anywhere from 3:1 to 9:1. These increases will slow the growth of manpower-related expenses. (U)

Function/Activity

Purchase a Central Processing Unit (CPU) and a microcomputer. (U)

Current Status

OER pays several hundred thousand dollars annually in computer use fees to one of its energy contractors. OER could install a system and operate itself. Additionally, Data Resources Inc. (DRI) charges OER for computer services related to another contract. (S)

Criterion

Capital investment to reduce future operating costs. (U)

Suggestion

Purchase a CPU for energy modeling and purchase or lease a DRI microcomputer. (S)

Expected Savings

The purchase of a CPU will cost about \$300,000, and its operation would cost \$60,000 annually. The savings would be \$1-to 2 million over five years. Purchasing or leasing a DRI microcomputer could save an additional \$700,000 in computer fees over five years. (S)

Function/Activity

Reducing purchases of open literature. (U)

Current Status

The Agency subscribes to many domestic periodicals. Often, as time goes by, the requirement no longer exists, but the subscription remains. (U)

Criterion

Reduction of current expense. (U)

Suggestion

Take a new survey to determine if current subscriptions are still needed.

(U)

Expected Savings

The savings will depend upon the reductions that can be made. (U)

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Cost Reduction and Efficiency

1. Name of Function/Activity Program:

Automated Presentation System (Genigraphics)
enhancement - Carto-Graphic Division, OGSR

2. Description of Current Status:

\$210K of FY 81 Analytical Productivity Fund was awarded to CD/OGSR. Most of this amount has been funded against the purchase of additional Genigraphics hardware and software. The purchase order for this equipment is presently in the Procurement Division of OL.

3. Criterion for Inclusion Herein:

Capital investment in order to increase efficiency and provide for future reductions on operating costs.

4. Suggestion of Possible Actions to Effect Savings:

The present purchase order for Genigraphics equipment includes a 100C Artist's Console. The 100C Artist's Console has the option of either a DEC PDP-11/23 or the more powerful PDP-11/34 computer. The 210K level of the Fund limits the purchase to the version with the PDP-11/23 (the PDP-11/34 is \$15K more). The 100C Artist's Console will eventually have to be upgraded with a PDP-11/34 in order to have animation capability (planned in FY83), therefore, it would save a considerable amount to purchase the larger computer now. This can be done with a modification to the purchase contract up to the delivery date (October estimate).

5. Expected Estimated Savings:

Since a future upgrade would cost \$45K (with trade in) the savings would be \$30K. This doesn't include the increased productivity gained by having the larger computer's capacity initially.

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